

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 794 - SB 972**

March 3, 2009

**SUMMARY OF BILL:** Authorizes the Tennessee Student Assistance Corporation (TSAC), in the event of a shortfall of funds available for postsecondary financial assistance from net lottery proceeds, to reduce or eliminate dual enrollment grants prior to reductions in the amounts awarded for Tennessee HOPE Scholarships, Tennessee HOPE Access Grants, and Wilder-Naifeh Technical Skills Grants. Increases from \$100 to \$200 per credit hour the amount received for dual enrollment grants in FY09-10. Requires the award for dual enrollment grants for FY10-11 and subsequent years be set in the General Appropriations Act. Requires TSAC, in consultation with the Tennessee Higher Education Commission (THEC), to promulgate rules and regulations to permit dual enrollment students who attend high school operating on a block schedule to take two dual enrollment courses in one semester of a school year, in lieu of one dual enrollment course in each of two semesters of a school year.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grant by \$10,080,000 in FY09-10 and by \$12,096,000 in FY10-11.**

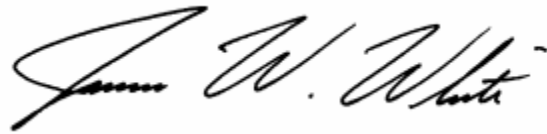
Assumptions:

- Net lottery proceeds are sufficient for funding lottery scholarships for all eligible students at 100 percent for each FY09-10 and FY10-11.
- TSAC projects approximately 16,800 students will receive dual enrollment grants during FY09-10.
- Students receiving dual enrollment grants are authorized to take up three credit hours per semester, or six credit hours per academic year.
- The increase of expenditures from lottery proceeds for FY09-10 is estimated to be \$10,080,000 (16,800 x \$100 x 6 = \$10,080,000).
- Dual enrollment grants remain constant at \$200 per credit hour in subsequent years.

- TSAC projects 20 percent growth in the number of dual enrollment students for the second year (FY10-11) as a result of this bill.
- The increase to state expenditures from lottery proceeds for FY10-11 is estimated to be \$12,096,000 ( $16,800 \times 120\% \times \$100 \times 6 = \$12,096,000$ ).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc